Turnkey Systems/ VARs

TS-1

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Turnkey Systems Market Structure

- Turnkey Systems
  - Equipment
  - Software
  - Professional Services
- Industry-Specific Sectors
- Cross-Industry Sectors

TS-3

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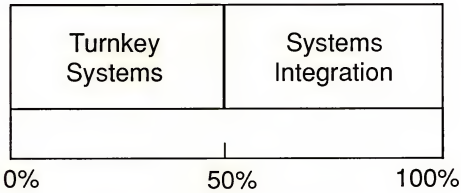
The Customization Spectrum



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Similarities Between System Integrators and Turnkey Systems

- Prime contractors role
- Multiple vendors involved
- Equipment delivery
- Software customization
- Installation, training, and support

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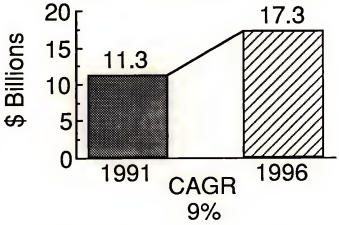
U.S. Turnkey Systems Market, 1991-1996



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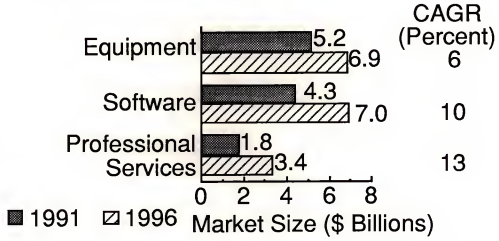
U.S. Turnkey Systems Market by Component, 1991-1996



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Turnkey Systems Driving Forces

- Downsizing
- Emphasis on solutions
- Aggressive VAR recruitment efforts
- Infusion of new products
- Systems and network integration needs

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Turnkey Systems Growth Inhibitors

- Weak economy
- Declining hardware margins
- Competition from alternative channels
- Vendors/VARs exiting

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Opportunities in the 1990s Turnkey/VARs

- Telecommunications
- LAN integration
- Distributed applications
- Downsizing
- Services versus software
- UNIX-based applications

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Vendor Strategies

Increase typical system size/price

- Enhance product offering
- Sell larger systems

Expand industry coverage

- Related opportunities within current industry
- New/additional industry markets

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Expanding Services

Provide new/additional services

- Consulting
- Customized programming
- Additional training/education
- Data-center management

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Major Vendors' Shares of Turnkey Systems Market—1990

Company Name	Market Share (%)*
Intergraph	5
Mentor Graphics	2
Reynolds & Reynolds Company (The)	2

*INPUT estimates

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Major Vendors' Shares of Turnkey Systems Market—1990

Company Name	Market Share (%)*
Schlumberger	1
Gerber Scientific	1
Triad	1

* INPUT Estimates

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